ERGO

KHAITAN & CO ADVOCATES SINCE 1911

DoT Notifies Telecom Network Authorisation Rules, 2026: What Has Changed?

10 August 2026

On 20 July 2026, the Department of Telecommunications (DoT) notified the Telecommunications (Authorisation for Telecommunication Network) Rules, 2026 (Rules).

The Rules operationalise Section 3(1)(b) of the Telecommunications Act, 2023 and establish a framework for six categories of telecommunication network authorisations: infrastructure provider (IP) (formerly, IP-I), digital connectivity infrastructure provider (DCIP), internet exchange point (IXP) provider, satellite earth station gateway (SESG) provider, cloud-hosted telecommunication network (CTN) provider and mobile number portability (MNP) provider.

In a nutshell, a 'network authorisation' granted pursuant to the Rules permits an entity to establish, operate, maintain or expand the relevant telecommunication network. It does not, however, authorise the entity to provide the underlying telecommunication service. For all categories of network authorisations, the relevant service must continue to be provided by an entity holding the applicable service authorisation or legacy license. A network authorisation also does not confer an independent right to spectrum.

The Rules are significant in that they introduce standalone authorisation frameworks for several network-layer activities that were not separately recognised under the earlier licensing framework. In particular, the Rules create dedicated pathways for IXP, CTN and SESG providers, while also restructuring the existing IP-I regime and introducing the DCIP category. This marks a shift towards separating network infrastructure and functionality from the provision of the underlying telecommunication service.

Background

The Rules follow the draft Telecommunications (Authorisation for Telecommunication Network) Rules, 2025, published on 9 October 2025 for stakeholder comments (Draft Rules). While the Rules retain the six categories of network authorisations proposed under the Draft Rules, they introduce important changes to the common conditions and the scope of certain authorisations.

The earlier licensing framework did not separately accommodate several technology-driven network models. For instance, there was no dedicated IXP license and IXP-only operators were required by the DoT to obtain an Internet Service Provider (ISP) license. Similarly, CTN-as-a-Service did not have a specific authorisation category, while satellite gateways formed part of the relevant satellite service license.

The Rules address these gaps by introducing standalone, relatively light-touch authorisation frameworks for IXP, CTN and SESG providers.

Key Considerations

Financial and commercial requirements: The fee structure prescribed under the Rules appears to promote ease of doing business. IP and IXP authorisations carry no entry fee, while DCIP, SESG and CTN authorisations carry an entry fee of INR 1 million. The requirements for payment of annual authorisation fees and submission of initial guarantees have also been dispensed with for all network authorisations, except MNP, for which these requirements are carried forward from the Unified License regime.

Location of infrastructure and remote access: Importantly, the Rules require all systems forming part of an authorised entity's telecommunication network, together with the associated data, logs and information, to be stored in India. This requirement applies across all six categories, including IP and DCIP. The Rules further provide that no copies of such data, logs or information may be routed, shared or made available outside India. Remote access from outside India may, however, be permitted with prior Government approval and subject to specified safeguards. This may raise practical implementation questions, particularly where global network operations or centralised management require access from outside India, given that the underlying data, logs and information must remain stored in India and cannot be routed, shared or made available outside India.

New eligibility criteria: In addition to complying with the prescribed financial requirements, the no-pending-dues condition and applicable foreign direct investment (FDI) norms, an applicant must demonstrate that the general character of its management is "sound". This assessment is based on its track record in responsibly providing telecommunication services or establishing, operating, maintaining or expanding telecommunication networks.

Tenure: The tenure for each network authorisation, apart from MNP (which will be granted for 10 years), will be specified at the time of grant, subject to a maximum of 20 years.

Network Authorisation Framework under the Rules:

1. ***Infrastructure Provider authorisation***: It is important to note that the IP authorisation carries forward the existing "IP-I" registration. Under the legacy IP-I regime, permitted entities could establish and share passive assets such as dark fibre, right of way (RoW), ducts, towers and poles, but could not operate telecom services. The Rules recast this scope by specifically referring to passive telecommunication infrastructure, RoW and in-building solution (IBS) infrastructure.

   The Rules also provide greater clarity on the scope of "IBS infrastructure", which includes passive telecommunication infrastructure, active antennas and hybrid combiners. However, an IP entity cannot establish, operate, maintain or expand the complete IBS. Accordingly, an IP entity may provide the prescribed IBS infrastructure but cannot operationalise the complete IBS or provide the underlying telecommunication service. The complete IBS may instead be established and operated under a DCIP authorisation or by an appropriately authorised or licensed entity, as applicable. IP infrastructure may be shared with authorised or licensed telecommunication entities on a fair and non-discriminatory basis.

2. ***Digital Connectivity Infrastructure Provider authorisation***: The DCIP authorisation is a new category of authorisation that gives effect to TRAI's recommendation for a neutral DCIP capable of deploying and sharing passive and specified active infrastructure. It covers equipment and systems required for wireline terrestrial networks, radio access networks, wireless local area networks, transmission links and the complete IBS, together with infrastructure covered by the IP authorisation.

   The core distinction between IP and DCIP is that an IP entity may establish and share the prescribed passive and IBS infrastructure but cannot operate the complete IBS; whereas a DCIP may establish and operate the specified active network elements and complete IBS. However, a DCIP cannot establish a core network, provide leased circuits to an authorised or licensed entity or user, or use a transmission link for captive purposes. It also cannot be assigned spectrum, although it may use a partnering service authorisation holder's spectrum for limited configuration purposes.

3. ***Internet Exchange Point provider authorisation***: As noted above, under the Unified Licence regime, there was no dedicated IXP license, and private IXP operators were required to obtain an ISP license. The Draft Telecommunications (Migration) Rules, 2025 also recognised this position by mapping an ISP license used solely for IXP services to the new IXP authorisation.

   The Rules now create a standalone and comparatively light-touch pathway for IXP operators. An IXP provider may interconnect, peer and exchange internet traffic originating and terminating in India with authorised or licensed ISPs and India-based content delivery networks, and may interconnect with another authorised or licensed IXP. The Rules recognise that the IXP function is distinct from providing internet access or transit, a distinction that was not expressly recognised under the earlier licensing framework.

   An IXP may, for example, be deployed in a data-centre meet-me room where ISPs and content delivery networks connect and exchange traffic. However, the relevant activity is the interconnection, peering and exchange of traffic. The mere provision of colocation space would not, by itself, amount to operating an IXP.

4. ***Satellite Earth Station Gateway provider authorisation**: Under the Unified License, satellite gateways formed part of the relevant service license. For example, a Global Mobile Personal Communication by Satellite licensee was required to establish a Land Earth Station Gateway in India separately for each satellite system.*

   The Rules create a standalone network authorisation, enabling an eligible gateway provider to establish and provide the gateway, including baseband systems, to an appropriately authorised or licensed satellite-network provider. This represents an important relaxation, as the gateway infrastructure provider is no longer required to itself become a full satellite service provider.

   However, the partnering service authorisation holder must continue to retain the right to use the spectrum, as well as control, visibility, resource allocation and management of its services. An eligible applicant may be the company holding the authorised satellite or space-segment capacity, its subsidiary, or a company that has entered into an agreement with it. The final eligibility formulation refers to capacity authorised by the Department of Space or another designated agency, rather than expressly referring to IN-SPACe as under the Draft Rules.

5. ***Cloud-hosted Telecommunication Network provider authorisation***: The scope of a CTN authorisation includes physical infrastructure for housing cloud-hosted telecommunication equipment, cloud-hosted telecommunication equipment and cloud-hosted network functionality. The scope of provisioning of virtual machines has not been retained from the Draft Rules.

   Importantly, the Rules clarify that CTN-as-a-Service includes providing physical infrastructure to house another authorised entity's cloud-hosted telecommunication equipment. Such infrastructure includes buildings, passive telecommunication infrastructure and RoW. Colocation is therefore within scope where it is provided for cloud-hosted telecommunication equipment of an eligible authorised or licensed entity.

   For data-centre and cloud providers, combined colocation and cloud-network offerings for telecommunication operators may accordingly be provided under a CTN authorisation. Ordinary colocation or hosting of non-telecom workloads is not expressly covered by the CTN authorisation and would require separate assessment. The CTN provider also cannot itself provide the underlying telecommunication service. The entry fee is INR 1 million, with no authorisation fee or initial guarantee.

6. ***Mobile Number Portability provider authorisation***: India will continue to be divided into 2 geographic MNP zones, each comprising 11 telecom circles or metro service areas, with MNP providers selected through bidding. The Government may redraw these zones or grant additional MNP authorisations within a zone.

   The final scope expressly permits an MNP provider to serve both access providers authorised under the Telecommunications Act, 2023 and operators continuing under legacy access-service licenses. The cross-holding restrictions have also been reformulated. While the Draft Rules referred to direct or indirect equity holdings and substantial equity shareholding, the Rules prohibit the applicant or its material shareholder from having a "beneficial interest" in specified access, unified, long-distance or MNP entities.

   Compared with the legacy MNP license, the entry fee has been significantly reduced from INR 10 million to INR 5 million, and the separate performance and financial bank guarantees have been replaced with a single INR 4 million initial guarantee. However, the earlier two-year fee moratorium has not been retained. A 1% adjusted gross revenue fee applies, with a minimum annual authorisation fee of INR 1.5 million from the second year.

Comments

The Rules provide much-awaited regulatory certainty for new-age technology service-delivery models, including network-layer offerings by hyperscalers, cloud service providers and data-centre operators. The standalone CTN, IXP and SESG frameworks provide a clearer regulatory pathway for separating network infrastructure and functionality from the underlying telecommunication service, subject to the applicable scope and localisation conditions.

The expanded data-localisation requirement may have a significant implementation impact. Although offshore remote access may be permitted with prior Government approval and prescribed safeguards, network-associated data, logs and information must remain stored in India and cannot be routed, shared or made available outside India. Global network operations and centralised cloud-management models may therefore require technical ring-fencing and specific review.

The distinction between IP and DCIP will also be particularly important for neutral-host and shared-infrastructure models. An IP entity may provide the prescribed IBS infrastructure but cannot operate the complete IBS. Active network deployment must therefore be assessed under a DCIP authorisation or the authorisation or license of the partnering entity, as applicable. Similarly, CTN colocation is tied to housing cloud-hosted telecommunication equipment, while IXP authorisation is tied to the interconnection, peering and exchange function. Businesses should accordingly map the network element, function and authorisation held by each contractual counterparty.

- *Harsh Walia (Partner); Shobhit Chandra (Counsel) and Vanshika Lal (Associate)*

About Khaitan & Co

Khaitan & Co is a top tier and full-service law firm with over 1300+ legal professionals, including 340+ leaders and presence in India and Singapore. With more than a century of experience in practicing law, we offer end-to-end legal solutions in diverse practice areas to our clients across the world. We have a team of highly motivated and dynamic professionals delivering outstanding client service and expert legal advice across a wide gamut of sectors and industries.

To know more, visit **www.khaitanco.com**